

SB2906



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

SB2906

Introduced 1/26/2024, by Sen. Robert F. Martwick

SYNOPSIS AS INTRODUCED:

55 ILCS 5/5-1008

from Ch. 34, par. 5-1008

Amends the Home Rule County Use Tax Law of the Counties Code. Provides that, if a home rule county imposes a home rule county use tax, then the tax shall be collected by the Department of Revenue when the property is purchased at retail from a retailer in any county in this State other than the home rule county imposing the tax. Includes provisions relating to collection and administration of the tax. Provides that the Department shall not begin collection and enforcement before January 1, 2025. Effective immediately.

LRB103 37797 AWJ 67926 b

A BILL FOR

1 AN ACT concerning local government.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Counties Code is amended by changing
5 Section 5-1008 as follows:

6 (55 ILCS 5/5-1008) (from Ch. 34, par. 5-1008)

7 Sec. 5-1008. Home Rule County Use Tax.

8 (a) As used in this Section, "Department" means the
9 Department of Revenue.

10 (b) The corporate authorities of a home rule county may
11 impose a tax upon the privilege of using, in such county, any
12 item of tangible personal property which is purchased at
13 retail from a retailer, and which is titled or registered to a
14 purchaser residing within the corporate limits of such home
15 rule county with an agency of this State's government, at a
16 rate which is an increment of 1/4% and based on the selling
17 price of such tangible personal property, as "selling price"
18 is defined in the ~~"Use Tax Act", approved July 14, 1955, as~~
19 ~~amended~~. Such tax shall be collected from persons whose
20 Illinois address for titling or registration purposes is given
21 as being in such county. Except as provided in subsection (c),
22 such ~~Such~~ tax shall be collected by the county imposing such
23 tax.

1 (c) If a home rule county imposes the tax authorized by
2 subsection (b), then the tax shall be collected by the
3 Department when the property is purchased at retail from a
4 retailer in any county in this State other than the home rule
5 county imposing the tax. The tax shall be remitted to the State
6 or an exemption determination must be obtained from the
7 Department before the title or certificate of registration for
8 the property may be issued. The tax or proof of exemption may
9 be transmitted to the Department by way of the State agency
10 with which, or State officer with whom, the tangible personal
11 property must be titled or registered if the Department and
12 that agency or State officer determine that this procedure
13 will expedite the processing of applications for title or
14 registration.

15 The Department shall have full power to administer and
16 enforce this subsection, to collect all taxes, penalties, and
17 interest due under this subsection, to dispose of taxes,
18 penalties, and interest so collected in the manner provided in
19 this subsection, and to determine all rights to credit
20 memoranda or refunds arising on account of the erroneous
21 payment of tax, penalty, or interest under this subsection. In
22 the administration of and compliance with this subsection, the
23 Department and persons who are subject to this subsection
24 shall have the same rights, remedies, privileges, immunities,
25 powers, and duties, and be subject to the same conditions,
26 restrictions, limitations, penalties, and definitions of

1 terms, and employ the same modes of procedure as are
2 prescribed in the Use Tax Act (except the definition of
3 "retailer maintaining a place of business in this State" and
4 provisions pertaining to the State rate of tax) and the
5 Uniform Penalty and Interest Act that are not inconsistent
6 with this subsection, as fully as if the Use Tax Act and the
7 Uniform Penalty and Interest Act were set forth in this
8 subsection.

9 Whenever the Department determines that a refund shall be
10 made under this subsection to a claimant instead of issuing a
11 credit memorandum, the Department shall notify the State
12 Comptroller, who shall cause the order to be drawn for the
13 amount specified and to the person named in the notification
14 from the Department. The refund shall be paid by the State
15 Treasurer out of the home rule county retailers' occupation
16 tax fund.

17 The Department shall forthwith pay over to the State
18 Treasurer, ex officio, as trustee, for deposit into the home
19 rule county retailers' occupation tax fund, all taxes,
20 penalties, and interest collected under this subsection. On or
21 before the 25th day of each calendar month, the Department
22 shall prepare and certify to the State Comptroller the
23 disbursement of stated sums of money to the named counties,
24 the county in each instance to be that county for which the
25 Department, during the second preceding calendar month,
26 collected county use tax from any person whose Illinois

1 address for titling or registration purposes is given as being
2 in that county. The amount to be paid to each county shall be
3 the amount (not including credit memoranda) collected under
4 this subsection during the second preceding calendar month by
5 the Department, and not including an amount equal to the
6 amount of refunds made during the second preceding calendar
7 month by the Department on behalf of each county, less 2% of
8 the remainder, which the Department shall pay into the Tax
9 Compliance and Administration Fund. The Department, at the
10 time of each monthly disbursement to the counties, shall
11 prepare and certify to the State Comptroller the amount to be
12 paid into the Tax Compliance and Administration Fund under
13 this subsection. Within 10 days after receipt by the State
14 Comptroller of the disbursement certification to the counties
15 and the Tax Compliance and Administration Fund provided for in
16 this subsection to be given to the State Comptroller by the
17 Department, the State Comptroller shall cause the orders to be
18 drawn for the respective amounts in accordance with the
19 directions contained in that certification.

20 A certified copy of an ordinance imposing or discontinuing
21 the tax to be collected and enforced by the Department under
22 this subsection shall be adopted and either (i) filed with the
23 Department after October 1 but on or before April 1, whereupon
24 the Department shall proceed to administer and enforce this
25 subsection on behalf of the counties as of July 1 next
26 following the adoption and filing; or (ii) filed with the

1 Department after April 1 but on or before October 1, whereupon
2 the Department shall proceed to administer and enforce this
3 subsection on behalf of the counties as of January 1 next
4 following the adoption and filing. No ordinance may be filed
5 with the Department under this subsection before the effective
6 date of this amendatory Act of the 103rd General Assembly. The
7 Department shall not begin collection and enforcement in
8 accordance with this subsection before January 1, 2025.

9 Nothing in this subsection shall prevent a home rule
10 county from collecting the tax pursuant to subsection (b) in
11 any situation where the tax is not collected by the Department
12 under this subsection.

13 (d) This Section shall be known and may be cited as the
14 "Home Rule County Use Tax Law".

15 (Source: P.A. 91-51, eff. 6-30-99.)

16 Section 99. Effective date. This Act takes effect upon
17 becoming law.